

## UTILITIES DIVISION[199]

### Notice of Intended Action

#### **Proposing rule making related to review of rules and providing an opportunity for public comment**

The Utilities Board hereby proposes to amend Chapter 31, “Access to Affiliate Records, Requirements for Annual Filings, and Asset and Service Transfers,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code section 476.2.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code sections 476.72 and 476.74.

#### *Purpose and Summary*

The Board is conducting a comprehensive review of its administrative rules in accordance with Iowa Code section 17A.7(2). The Board initiated this rule making to identify and update provisions that are outdated, inconsistent, or incompatible with statutes and other rules. Prior to submission of the Notice of Intended Action (NOIA), the Board shared a draft version of the NOIA with stakeholders and invited comments. The Board considered the stakeholder comments in preparing the proposed amendments included in this NOIA.

The Board issued an order on May 13, 2022, commencing this rule making. The order is available on the Board’s electronic filing system, [efs.iowa.gov](https://efs.iowa.gov), under RMU-2021-0031.

#### *Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

#### *Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

#### *Waivers*

No waiver provision is included in the proposed amendments because the Board has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in this chapter.

#### *Public Comment*

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Board no later than 4:30 p.m. on June 21, 2022. Comments should be directed to:

IT Support  
Iowa Utilities Board  
Phone: 515.725.7300  
Email: [ITSupport@iub.iowa.gov](mailto:ITSupport@iub.iowa.gov)

### *Public Hearing*

An oral presentation at which persons may present their views orally or in writing will be held as follows:

June 23, 2022  
10 a.m. to 12 noon

Board Hearing Room  
1375 East Court Avenue  
Des Moines, Iowa

Persons who wish to make oral comments at the oral presentation may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the oral presentation and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 199—31.1(476) as follows:

**199—31.1(476) Applicability and definition of terms.** This chapter applies to all rate-regulated gas, or electric, water, sanitary sewage, or storm water drainage service public utilities. All terms used in this chapter shall be defined as the terms are defined in Iowa Code section 476.72 unless further defined in this chapter.

“*Fully distributed cost*” is a costing approach that fully allocates all current and embedded costs to determine the revenue contribution of regulated and nonregulated affiliate operations.

“*Net book value*” means the original purchase price minus depreciation.

ITEM 2. Amend rule 199—31.3(476) as follows:

### **199—31.3(476) Annual filing.**

**31.3(1)** On or before June 30 of each year, all public utilities shall file with the board the following information:

*a.* An executive summary of each new or revised contract, arrangement, or other similar transaction between the public utility and an affiliate. The executive summary shall include: the document number, of the contract or agreement, if one is assigned during the public utility's ordinary course of business; the start and end date of the contract; the providing affiliate; the receiving affiliate; the total estimated dollar value; the dollar amount reported for the calendar year; and a description of the service or goods covered.

*b.* Verified copies of contracts, arrangements, or other similar transactions between the public utility and an affiliate shall be provided to the board upon request. This includes all contracts, arrangements, or other similar transactions as required by Iowa Code ~~subsections~~ sections 476.74(1) to 476.74(4).

**31.3(2)** Contracts, arrangements, or other similar transactions with an affiliate where the consideration is ~~not in excess of \$50,000 or 5 percent of the capital equity of the utility, whichever is smaller,~~ less than \$250,000 annually are exempt from this filing requirement. In lieu of the filing requirement, the public utility shall file on or before June 30 of each year a report of the total amount of each contract, arrangement, or other similar transactions with affiliates qualifying under this exemption. Each affiliate shall be identified separately.

**31.3(3)** After an initial filing under rule 199—31.3(476), a public utility shall file only new contracts or arrangements or other similar transactions and modifications or amendments to existing contracts or arrangements, or other similar transactions on an annual basis. If there have been no new contracts, arrangements, or other similar transactions, the public utility shall file a statement to that effect.

**31.3(4)** If a new affiliate is created, if an existing affiliate is dissolved or merged, if a contractual arrangement or other similar transactional relationship between the public utility and an affiliate is created, or if a contractual arrangement or other similar transactional relationship is terminated between the public utility and an affiliate, the public utility shall notify the board in writing within ~~30~~ 60 days of the date of the event. This subrule does not apply if a proposal for reorganization pursuant to 199—Chapter 32 is to be filed with the board.

ITEM 3. Amend subrule 31.5(2) as follows:

**31.5(2)** *Confidential treatment.* When a public utility files contracts, arrangements, or other similar transactions with the board, all such contracts or arrangements for which confidential treatment is sought shall be clearly marked and are subject to 199—subparagraph 1.9(5)“c”(18). ~~In addition to the requirements set out in 199—1.9(22), the public utility shall provide, at the time of filing with the board, a list designating the contracts, arrangements, and other similar transactions, if any, for which confidential treatment is sought. The public utility shall designate where and to whom contracts, arrangements, and other similar transactions determined by the board to be confidential shall be returned.~~